AMENDED IN ASSEMBLY JUNE 20, 2002 AMENDED IN SENATE MAY 20, 2002 AMENDED IN SENATE APRIL 17, 2002

SENATE BILL

No. 1925

Introduced by Senators Sher and Polanco

February 22, 2002

An act to amend Section 21080.10 of, to add Sections 21061.0.5, 21065.3, 21070 21064.3, 21065.3, 21071, and 21072 to, to add Article 6 (commencing with Section 21159.20) to Chapter 4.5 of Division 13 of, to add and repeal Section 21159.25 of, and to repeal Sections 21080.7, 21080.14, 21083.3, 21085, and 21158.6 of, the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 1925, as amended, Sher. California Environmental Quality Act: exemptions.

Existing law, the California Environmental Quality Act (CEQA), requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment, as defined, or to adopt a negative declaration if it finds that the project will not have that effect, unless the project is exempt from the act.

CEQA provides for various exemptions from the requirements of the act relating to housing, including exemptions for agricultural housing, affordable housing projects in urbanized areas, as defined, and projects in the central business district in the City of Oakland.

SB 1925 — 2 —

This bill would recast, recodify, and consolidate those exemptions. The bill would revise the definition of an urbanized area for purposes of those provisions to include any incorporated city with a population of at least 100,000 persons or an incorporated city of less than 100,000 persons if the population of that city and not more than 2 contiguous incorporated cities combined equals at least 100,000 persons An urbanized area would also be defined to include any unincorporated area that is completely surrounded by one or more incorporated cities that meet specified population criteria or that is located within an urban growth boundary, as defined, and has an existing residential population of at least 5,000 person per square mile, if the board of supervisors with jurisdiction over the unincorporated area has previously issued a finding that the general plan, zoning ordinance, and related policies and programs applicable to the area are consistent with specified compact development principles, and the board of supervisors had previously submitted a draft of that finding to the Office of Planning and Research at least 30 days prior to issuing a final finding, and allowed the office 30 days to submit comments on the draft finding.

The bill would also provide an exemption from CEQA for any residential project located on an infill site within an urbanized area that meets specified criteria.

The bill would prohibit the division of a project into smaller projects to qualify for one or more exemptions from CEQA, and would also prohibit a project from qualifying for an exemption from CEQA if the developer or owner of the project, or any entity affiliated with the developer or landowner, has qualified for an exemption from CEQA for another housing project, if that project is located within one-half mile of the boundary of the project.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) It is the intent of the Legislature to promote
- 2 housing in the state by taking all of the following actions:
- 3 (1) Placing statutes that provide for a special review of housing
- 4 projects under the California Environmental Quality Act, Division
- 5 13 (commencing with Section 21000) of the Public Resources
- 6 Code, in a single part of the act.

__ 3 __ SB 1925

(2) Eliminating any general standard that applies to housing exemptions that is inconsistent with those provisions.

- (3) Creating a streamlined procedure for certain infill housing projects that do not have an adverse effect on the environment.
- (b) The Legislature finds and declares that encouraging infill housing will assist in reducing urban sprawl and the well-documented and harmful environmental effects caused by urban sprawl.
- 9 SEC. 2. Section 21061.0.5 is added to the Public Resources 10 Code, to read:
 - 21061.0.5. "Infill site" means a site that meets both either of the following criteria:
 - (a) The immediately adjacent parcels are developed with urban uses or at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses and the remaining 25 percent of the site adjoins parcels that have previously been developed for urban uses.
 - (b) The site meets either of the following:
 - (1) The site has been previously developed for urban uses.
 - (2) The site has not been developed for urban uses and no parcel within the site has been created within the last 10 years.
 - SEC. 3. Section 21064.3 is added to the Public Resources Code, to read:
 - 21064.3. "Major transit stop" means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.
 - SEC. 4. Section 21065.3 is added to the Public Resources Code, to read:
 - 21065.3. "Project-specific impact" means all the direct or indirect environmental impacts of a project other than cumulative impacts and growth-inducing impacts.
- 34 SEC. 4. Section 21070 is added to the Public Resources Code, to read:
- 36 21070. "Transit center" means a site containing an existing
 37 rail transit station, a ferry terminal served by either a bus or rail
 38 transit service, or the intersection of three or more major bus

39 routes.

SB 1925 - **4** —

1 SEC. 5. Section 21071 is added to the Public Resources Code. 2 to read:

- "Urbanized area" means an either of the following: 21071.
- (a) An incorporated city that meets either of the following 4 5 criteria:

(a)

3

6 7

9

10

12 13

14

15

17

19

20 21

22

25

26 27

28 29

30

31

32

33

34 35

37

(1) Has a population of at least 100,000 persons.

- (2) Has a population of less than 100,000 persons if the population of that city and not more than two contiguous incorporated cities combined equals at least 100,000 persons.
- (b) An unincorporated area that meets both of the following criteria:
 - (1) Is either of the following:
- (A) Completely surrounded by one or more incorporated cities, 16 and both of the following criteria are met:
 - (i) The population of the unincorporated area and the population of the surrounding incorporated city or cities equals not less than 100,000 persons.
 - (ii) The population density of the unincorporated area at least equals the population density of the surrounding city or cities.
- (B) Located within an urban growth boundary and has an 23 existing residential population of at least 5000 persons per square mile. For purposes of this subparagraph, an "urban growth boundary" means a provision of a locally adopted general plan that allows urban uses on one side of the boundary and prohibits urban uses on the other side.
 - (2) The board of supervisors with jurisdiction over the unincorporated area had previously taken both of the following actions:
 - (A) Issued a finding that the general plan, zoning ordinance, and related policies and programs applicable to the unincorporated area are consistent with principles that encourage compact development in a manner that does both of the following:
- (i) Promotes efficient transportation systems, economic 36 growth, affordable housing, energy efficiency, and an appropriate balance of jobs and housing.
- (ii) Protects the environment, open space, and agricultural 38 39 areas.

__ 5 __ SB 1925

(B) Submitted a draft finding to the Office of Planning and Research at least 30 days prior to issuing a final finding, and allowed the office 30 days to submit comments on the draft findings to the board of supervisors.

1

14

15

16

17

19

20

21

22

24

2526

27

28

29

30

- 5 SEC. 6. Section 21072 is added to the Public Resources Code, 6 to read:
- 21072. "Urban use" means any residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.
- SEC. 7. Section 21080.7 of the Public Resources Code is repealed.
- SEC. 8. Section 21080.10 of the Public Resources Code is amended to read:
 - 21080.10. This division does not apply to any of the following:
 - (a) An extension of time, granted pursuant to Section 65361 of the Government Code, for the preparation and adoption of one or more elements of a city or county general plan.
 - (b) Actions taken by the Department of Housing and Community Development or the California Housing Finance Agency to provide financial assistance or insurance for the development and construction of residential housing for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, if the project that is the subject of the application for financial assistance or insurance will be reviewed pursuant to this division by another public agency.
 - SEC. 9. Section 21080.14 of the Public Resources Code is repealed.
 - SEC. 10. Section 21083.3 of the Public Resources Code is repealed.
- 31 SEC. 11. Section 21085 of the Public Resources Code is 32 repealed.
- 33 SEC. 12. Section 21158.6 of the Public Resources Code is repealed.
- 35 SEC. 13. Article 6 (commencing with Section 21159.20) is 36 added to Chapter 4.5 of Division 13 of the Public Resources Code, 37 to read:

SB 1925 — 6 —

Article 6. Special Review of Housing Projects

- 21159.20. For the purposes of this article, the following terms have the following meanings:
- (a) "Low-income households" means households of persons and families of very low and low income, as defined in Sections 50093 and 50105 of the Health and Safety Code.
- (b) "Low- and moderate-income households" means households of persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.
- 21159.21. A housing project qualifies for an exemption from this division pursuant to Section 21159.22, 21159.23, or 21159.24 if it meets the criteria in the applicable section and all of the following criteria:
- (a) The project is in compliance with any applicable general plan, specific plan, and local coastal program, including any mitigation measures required by a plan or program, as that plan or program existed on the date that the application was deemed complete and with any applicable zoning ordinance, without the need for a variance.
- (b) An environmental impact report is certified on the adoption of the general plan and any applicable specific plan. as that zoning ordinance existed on the date that the application was deemed complete, unless the zoning of project property is inconsistent with the general plan because the project property has not been rezoned to conform with the general plan.
 - (b) Either of the following has occurred:
- (1) An environmental impact was certified on any of the following:
 - (A) The general plan.
 - (B) An applicable community plan.
 - (C) An applicable specific plan.
- (2) A negative declaration or mitigated negative declaration was adopted that was tiered from a previous environmental impact report certified on any of subparagraphs (A) to (C), inclusive, of paragraph 1.
- (c) The project and other projects approved prior to the approval of the project can be adequately served by existing infrastructure, utilities, and services. utilities, and the project

__7__ SB 1925

1 applicant has paid, or has committed to pay, all applicable in-lieu
2 fees.

- (d) The site of the project does not contain wetlands, does not have any value as a wildlife habitat, and does not harm any species entitled to protection by law. endangered, threatened, or rare species, and does not cause the destruction or removal of any species protected by a local ordinance. For the purposes of this subdivision, "wetlands" has the same meaning as in Section 328.3 of Title 33 of the Code of Federal Regulations.
- (e) The site of the project is not included on any list of facilities and sites compiled pursuant to Section 65962.5 of the Government Code.
- (f) The site of the project is subject to a preliminary endangerment assessment prepared by a registered environmental assessor to determine the existence of any release of a hazardous substance on the site and to determine the potential for exposure of future occupants to significant health hazards from any nearby property or activity.
- (1) If a release of a hazardous substance is found to exist on the site, the release shall be removed, or any significant effects of the release shall be mitigated to a level of insignificance in compliance with state and federal requirements.
- (2) If a potential for exposure to significant hazards from surrounding properties or activities is found to exist, the effects of the potential exposure shall be mitigated to a level of insignificance in compliance with state and federal requirements.
- (g) The project does not have a significant effect on historical resources.
- (h) The project site is not subject to a risk for to human life, health, or safety from fire, flood, earthquake, explosion, or public health exposure that is unusual to the neighborhood or is subject to that risk, but the risk has been mitigated as a result of policies of the general plan or provisions of the zoning ordinance.
- (i) The project site does not contain developed open space, park, or recreation land or facilities that has been financed, in whole or in part, by public funds unless the funds used for acquisition were funds dedicated to the acquisition of land for housing purposes, or designated for acquisition by a public agency for park, recreation, or open-space purposes.

SB 1925 — 8 —

21159.22. (a) This division does not apply to any development project that meets the requirements of subdivision (b), and meets either of the following criteria:

- (1) Consists of the construction, conversion, or use of residential housing for agricultural employees, and meets all of the following criteria:
- (A) Is affordable to lower income households, as defined in Section 50079.5 of the Health and Safety Code.
 - (B) Lacks public financial assistance.
- (C) The developer of the development project provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for lower income households for a period of at least 15 years.
- (2) Consists of the construction, conversion, or use of residential housing for agricultural employees and meets all of the following criteria:
- (A) Is housing for very low, low-, or moderate-income households as defined in paragraph (2) of subdivision (h) of Section 65589.5 of the Government Code.
- (B) Public financial assistance exists for the development project.
- (C) The developer of the development project provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for low- and moderate-income households for a period of at least 15 years.
- (b) (1) If the development project is proposed for an urbanized area, it is located on a project site that is adjacent, on at least two sides, to land that has been developed, and consists of not more than 45 units, or is housing for a total of 45 or fewer agricultural employees if the housing consists of dormitories, barracks, or other group living facilities.
- (2) If the development project is proposed for a nonurbanized area, it is located on a project site zoned for general agricultural use, and consists of not more than 20 units, or is housing for a total of 20 or fewer agricultural workers if the housing consists of dormitories, barracks, or other group living facilities.
 - (3) The project satisfies the criteria in Section 21159.21.
- (4) The development project is not more than five acres in area, except that a project site located in an area with a population

__9 __ SB 1925

density of at least 1,000 persons per square mile shall not be more than two acres in area.

(c) Notwithstanding this section, this division applies to any development project that otherwise meets the criteria described in this section, if the public agency that is carrying out or approving the development project determines that there is a reasonable possibility that the project would have a significant effect on the environment due to unusual circumstances, or that the cumulative impact of successive projects of the same type in the same area over time would be significant.

(d)

- (c) For the purposes of this section, "agricultural employee" has the same meaning as defined by subdivision (b) of Section 1140.4 of the Labor Code.
 - 21159.23. (a) Except as provided in subdivision (b), this
- 21159.23. (a) This division does not apply to any development project that consists of the construction, conversion, or use of residential housing consisting of not more than 100 units in an urbanized area that is affordable to low-income households if both of the following criteria are met:
- (1) The developer of the development project provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for either of the following:
- (A) Lower income households, as defined in Section 50079.5, for a period of at least 15 years.
- (B) Very low, low-, or moderate-income households at monthly housing costs, as determined pursuant to paragraph (2) of subdivision (h) of Section 65589.5 of the Government Code for 30 years. lower income households, as defined in Section 50079.5 of the Health and Safety Code, for a period of at least 30 years, at monthly housing costs, as determined pursuant to Section 50053 of the Health and Safety Code.
- (2) The development project meets all of the following requirements:
- 36 (A) The project satisfies the criteria described in Section 37 21159.21.
 - (B) The project site is an infill site.
- 39 (C) The project site is not more than five acres in area.
- 40 (D) The project site is located within an urbanized area.

SB 1925 **— 10 —**

1 2

3 4

5

9

11

12

13

15 16

17

18

19

20

21

22 23

24

25 26

27

28

29

30

31

32 33

34

35

36 37

(b) Notwithstanding subdivision (a), this division applies to a development project, if all of the following criteria are met:

- (1) The project includes more than 50 units.
- (2) A reasonable possibility exists that the development project would have a significant effect on the environment or the residents of the development project due to unusual circumstances or due to related or cumulative impacts of reasonably foreseeable projects in the vicinity of the development project.
- (b) For the purposes of this section, "residential" means a use 10 consisting of either of the following:
 - (1) Residential units only.
 - (2) Residential units and primarily neighborhood-serving goods, services, or retail uses that do not exceed 15 percent of the total floor area of the project.
 - 21159.24. (a) Except as provided in subdivision (b), this division does not apply to a project if all of the following criteria are met:
 - (1) The project is a residential project on an infill site.
 - (2) The project is located within an urbanized area.
 - (3) The project satisfies the criteria of Section 21159.20.
 - (4) An environmental impact report was certified on the adoption of the general plan or any applicable specific plan, within 21159.21.
 - (4) Within five years of the date that the application for the project is deemed complete pursuant to Section 65943 of the Government Code either of the following has occurred:
 - (A) An environmental impact was certified on any of the following:
 - (i) The general plan.
 - (ii) An applicable community plan.
 - (iii) An applicable specific plan.
 - (B) A negative declaration or mitigated negative declaration was adopted that was tiered from a previous environmental impact report certified on any of clauses (i) to (iii), inclusive, of subparagraph(A).
 - (5) The site of the project is not more than four acres in total area and the residential density is at least 20 units per acre.
- (6) The project does not contain more than 100 residential 38 39 units.

— 11 — SB 1925

(7) At least 10 percent of the housing is affordable to low- and moderate-income households and the project developer provides

(7) Both of the following criteria are met:

- (A) At least 10 percent of the housing is sold to families of moderate income, or not less than 10 percent of the housing is rented to families of low income, or not less than 5 percent of the housing is rented to families of very low income.
- (B) The project developer provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for low-very-low, low-, and moderate-income households at monthly housing costs determined pursuant to paragraph (2) of subdivision (h) of Section 65589.5 of the Government Code.
- (8) The project is within one-half mile of a transit center major transit stop.
- (9) The project does not include any single level building that exceeds 100,000 square feet.
- (b) Notwithstanding subdivision (a), this division shall apply to a development project that meets the criteria described in subdivision (a), if any of the following occur:
- (1) There is a reasonable possibility that the project will have a project-specific, significant impact on the environment due to unusual circumstances.
- (2) Substantial changes with respect to the circumstances under which the project is being undertaken have occurred since the certification of the environmental impact report on the general plan or any applicable specific plan. that are related to the project have occurred since either of the following has occurred:
- (A) The certification of an environmental impact report on any of the following:
 - (i) The general plan.
 - (ii) An applicable community plan.
 - (iii) An applicable specific plan.
- (B) The adoption of a negative declaration or mitigated negative declaration that was tiered from a previous environmental impact report certified on any of clauses (i) to (iii), inclusive, of subparagraph (A).
- (3) New information regarding the circumstances under which the project was undertaken that is related to the project, that was not known, and could not have been known at the time the

SB 1925 **— 12 —**

environmental impact report on the general plan or applicable specific plan was certified, becomes available. have been known at the time that either of the following occurred:

- 4 (A) The environmental impact report was certified on any of the *following:*
 - (i) The general plan.

5

6 7

8 9

12

13 14

15

16

17

19

20

21 22

24

25 26

27

28

29

30 31

32 33

35 36

37

- (ii) An applicable community plan.
- (iii) An applicable specific plan.
- (B) A negative declaration or mitigated negative declaration 10 was adopted that was tiered from a previous environmental impact report certified on any of clauses (i) to (iii), inclusive, of subparagraph (A).
 - (c) For the purposes of this section, "residential" means a use consisting of either of the following:
 - (1) Residential units only.
 - (2) Residential units and primarily neighborhood-serving goods, services, or retail uses that do not exceed 15 percent of the total floor area of the project.
 - 21159.25. (a) For a project in the City of Oakland that consists of multiple-family residential development, or a residential and commercial or retail mixed-use development with not more than 25 percent of the total floor area of the project utilized as retail space, a focused environmental impact report may be prepared, notwithstanding that the project was not identified in a master environmental impact report, if all of the following conditions are met:
 - (1) The Oakland City Council does both of the following:
 - (A) Authorizes the implementation of this section. The city council may authorize the implementation of this section only by voting to approve the practice of preparing focused environmental impact reports for projects in the central business district housing target areas specified in paragraph (11).
- (B) Determines that the general plan, zoning ordinance, and 34 related policies and programs are consistent with principles that encourage compact development in a manner that does both of the following:
 - (i) Promotes efficient transportation systems, economic growth, affordable housing, energy efficiency, and an appropriate balance of jobs and housing.

— 13 — SB 1925

(ii) Protects the environment, open space, and agricultural areas.

- (2) The city submits a draft determination to the Office of Planning and Research that the applicable general plan, zoning ordinance, and any related policies and programs are consistent with the principles described in subparagraph (B) of paragraph (1) prior to the city council making its determination regarding that consistency. The office may submit comments on the draft findings to the city council within 30 days from the date that the city submits the draft determination to the office.
- (3) The city has an average population density of at least 5,000 persons per square mile.
- (4) The project is consistent with the general plan, any applicable specific plan and community plan, and zoning ordinance, including any variance that is properly granted pursuant to that zoning ordinance, an environmental impact report was prepared for the general plan, and the application for the project is deemed complete pursuant to Section 65943 of the Government Code within three years of the date this section is effective.
- (5) The lead agency cannot make the finding described in subdivision (c) of Section 21157.1, a negative declaration or mitigated negative declaration cannot be prepared pursuant to Section 21080, 21157.5, or 21158, and Section 21166 does not apply.
 - (6) The project meets one or both of the following conditions:
- (A) The parcel on which the project is to be developed is surrounded by immediately contiguous urban development.
- (B) The parcel on which the project is to be developed is, or has been previously, developed with urban uses.
 - (7) The density of the project is at least 40 units per net acre.
- (8) The parcel on which the project is to be developed is within one-half mile of an existing rail transit station.
- (9) The project can be adequately served by existing utilities and municipal services, and there will be adequate capacity for infrastructure, utilities, and services to serve other projects approved and proposed in the service area.
- (10) The project does not include a single level building that exceeds 100,000 square feet.

SB 1925 **— 14 —**

4

5

9

12

13

14

15

17

20

21

22

23

24

25 26

28

29

30

31

32 33

34

35

36 37

38

39 40

(11) The project is located in one of the following central business district housing target areas:

- (A) The Valdez cluster, which is bounded on the west by Telegraph Avenue, on the south by 23rd Street, on the east by Harrison Street, and on the north by 27th Street. A project located in this cluster that meets the condition described in paragraph (8) may include a portion up to one acre that does not meet that
- (B) The Uptown cluster, which is bounded on the west by 10 Castro Street, on the south by 14th Street from Castro Street to Jefferson Street and 16th Street and Broadway from 16th Street to 22nd Street, and on the north by 22nd Street.
 - (C) The 11th Street cluster, which is bounded by Franklin Street from 12th Street to 15th Street, by Webster Street from 11th Street to 12th Street, by Alice Street from 11th Street to 13th Street, by 12th Street from Franklin Street to Webster Street, by 11th Street from Webster Street to Alice Street and 13th Street from Alice Street to Madison Street, and on the east by Madison Street from 13th Street to 15th Street, and on the north by 15th Street from Franklin Street to Madison Street.
 - (D) The Old Oakland cluster, which is bounded on the west by Castro Street, on the south by 7th Street, on the east by Broadway, and on the north by 11th Street.
 - (b) A focused environmental impact report prepared pursuant to this section shall be limited to a discussion of potentially significant effects on the environment specific to the project. No discussion shall be required of alternatives to the project, cumulative impacts of the project, or the growth inducing impacts of the project.
 - (c) (1) On or before July 1, 2004, the city shall submit a report to the Office of Planning and Research that includes, but that is not necessarily limited to, all of the following information:
 - (A) The number of focused environmental impact reports prepared pursuant to this section.
 - (B) The types of projects for which focused environmental impact reports prepared pursuant to this section.
 - (C) The time periods for preparing each of the focused environmental impact reports prepared pursuant to this section, and for acting on each project from the date that the application was deemed complete.

— 15 — SB 1925

(D) A description of any alternatives to a project, cumulative impacts of a project, growth inducing impacts of a project, or other issues that may have been identified and analyzed if an environmental document, other than a focused environmental impact report, had been prepared for the project.

- (2) Prior to submitting the report to the office pursuant to paragraph (1), the city shall hold at least one public hearing and shall respond to oral and written comments regarding the draft report. The city shall include the comments and responses in the final report.
- (d) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

21159.26. With respect to a project that includes a housing development, a public agency may not reduce the proposed number of housing units as a mitigation measure or project alternative for a particular significant effect on the environment if it determines that there is another feasible specific mitigation measure or project alternative that would provide a comparable level of mitigation. This section does not affect any other requirement regarding the residential density of that project.

21159.27. A project may not be divided into smaller projects to qualify for one or more exemptions pursuant to this article. A project may not qualify for an exemption pursuant to this article if the developer or landowner of the project, or any entity affiliated with the developer or landowner, has obtained approval for a project located within a one-half mile of the boundary of the projects for which an exemption has been obtained pursuant to this article.